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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/867,126

05/29/2001

Stephen W. Jackson

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07/18/2005

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EXAMINER

TOMASZEWSKI, MICHAEL

ART UNIT

PAPER NUMBER

3626

DATE MAILED: 07/18/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/867,126

Applicant(s)

JACKSON, STEPHEN W.

Examiner

Mike Tomaszewski

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 May 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 29 May 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>29 May 2001</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Notice To Applicant

1. This communication is in response to the application filed on 29 May 2001.
Claims 1-21 are pending. The IDS statements filed on 29 May 2001 has been entered and considered.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The basis of this rejection is set forth in a two-prong test of:
 - (1) whether the invention is within the technological arts; and
 - (2) whether the invention produces a useful, concrete, and tangible result.

(A) For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena that do not apply, involve, use, or advance technological arts fail to promote the “progress of science and the useful arts” (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, exemplary claim 1 is drawn to a method comprising the steps of “making payments.” It is not clear whether or not the recited steps of “making payments” actively apply, involve, use, or advance the technological arts. In particular, these acts are capable of being performed in the human mind or via pencil and paper. As such, there is no specific requirement with the language of the claim to a practical application WITHIN the technological arts, as there is no requirement for any of the recited steps to be performed electronically or via computerized database components.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, exemplary claim 1 is drawn to a method of financing payments to providers of medical services to patients, and as such, appears to produce a useful, concrete, and tangible result, namely a method that facilitates the payment of medical services.

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Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 1 is deemed to be directed to non-statutory subject matter.

(B) Claims 2-21 fail to further recite a positive and definite limitation to the technological arts, and also fail to pass muster under 35 U.S.C 101.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 13-17 are rejected under 35 U.S.C. 102(b) as being anticipated by Spiro (5,819,228; hereinafter Spiro).

(A) As per claim 13, Spiro discloses the method of financing payments to providers of medical services to patients, comprising:

the patients making a payment to a primary service provider in exchange for the primary service provider's promise to provide a block of medical RVUs to the patients (Spiro: col. 2, lines 63-64; col. 3, lines 7-11; Fig. 1-13).

(B) As per claim 14, Spiro discloses the method of claim 13, further comprising: the patients maintaining an account receivable that is representative of the degree to which the primary service provider has provided the block of medical RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21; Fig. 12).

(C) As per claim 15, Spiro discloses the method of claim 13, further comprising: the primary service provider maintaining an account payable that is representative of the degree to which the primary service provider has provided the block of medical RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21; Fig. 12).

(D) Claim 16 repeats the same limitations as method claims 14 and 15, and is therefore rejected for the same reasons given for those claims.

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- (E) As per claim 17, Spiro discloses the method of claim 13, further comprising:
- (i) the primary service provider issuing bonds payable in blocks of medical RVUs (Spiro: col. 2, lines 63-64; col. 3, lines 7-11; Fig. 1-13); and
 - (ii) the patients purchasing bonds (Spiro: col. 2, lines 63-64; col. 3, lines 7-11; Fig. 1-13).

Note that Examiner considers a "bond" to generally be a binding agreement (i.e., promise). In tangible terms, a bond can simply be a certificate of debt (e.g., a certificate evidencing a promise to deliver services in the future).

6. Claim 18 is rejected under 35 U.S.C. 102(e) as being anticipated by Henley (US 2002/0065758; hereinafter Henley).

(A) As per claim 18, Henley discloses a method of financing payments to providers of medical services to patients, comprising:

- (i) the patients bidding on blocks of medical RVUs offered for sale by one or more primary service providers in a medical RVU trading system (Henley: abstract; Fig. 7); and

- (ii) the patients contracting with one or more of the primary service providers using the medical RVU trading system (Henley: abstract; Fig. 7; pg. 2, par. [0025]).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-4 are rejected under 35 U.S.C. 103(a) as being unpatentable over Spiro in view of Cincotta (US 2002/0004782; hereinafter Cincotta).

- (A) As per claim 1, Spiro discloses a method of financing payments to providers of medical services to patients, comprising:

- (i) the patients making payments to a payor in exchange for the payor's promise to provide medical RVUs to the patients (Spiro: col. 2, lines 63-64; col. 3, lines 7-11; Fig. 1-13); and

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- (ii) the payor making payments to an auxiliary service provider in exchange for the auxiliary service provider's promise to provide medical RVUs to the patients (Spiro: col. 3, lines 6-7).

Spiro fails, however, to expressly disclose an auxiliary service provider making a payment to a primary service provider in exchange for the primary service provider's promise to provide a block of medical RVUs to the patients. Nevertheless, this feature is old and well known in the art, as evidenced by Cincotta.

In particular, Cincotta discloses the following:

- (iii) the auxiliary service provider making a payment to a primary service provider in exchange for the primary service provider's promise to provide a block of medical RVUs to the patients (Cincotta: pg. 2, par. [0017]).

One having ordinary skill would have found it obvious at the time of the invention to include the aforementioned feature of Cincotta within the Spiro system with the motivation of enabling a consumer to prepay for services to be consumed at a later date (Cincotta: pg. 2, par. [0014]), enable providers to determine a predicted total measure of services that an aggregate of consumers will want from specified providers (Cincotta: pg. 2, par. [0016]), and to avoid service cost inflation (i.e., "lock-in" a current cost associated with a particular service to be rendered in the future) (Cincotta: pg. 2, par. [0013]).

(B) As per claim 2, Spiro discloses the method of claim 1, further comprising:
the auxiliary service provider maintaining an account receivable that is representative of
the degree to which the primary service provider has provided the block of medical
RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21).

(C) As per claim 3, Spiro discloses the method of claim 1, further comprising:
the primary service provider maintaining an account payable that is representative of
the degree to which the primary service provider has provided the block of medical
RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21).

(D) As per claim 4, Spiro discloses the method of claim 1, further comprising:

- (i) the auxiliary service provider maintaining an account receivable that is
representative of the degree to which the primary service provider has
provided the block of medical RVUs to the patients (Spiro: col. 8, lines 4-8
and lines 18-21; Fig. 12); and
- (ii) the primary service provider maintaining an account payable that is
representative of the degree to which the primary service provider has
provided the block of medical RVUs to the patient (Spiro: col. 8, lines 4-8
and lines 18-21; Fig. 12).

9. Claims 5 and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Spiro and Cincotta as applied to claim 1 above, and further in view of the Applicant's admission in the background of the invention of the present application (09/867,126).

(A) As per claim 5, the background of the present application discloses a method of wherein the payments from the payor to the auxiliary service provider comprise capitation payments (09/867,126: pg. 2).

(B) As per claim 6, the background of the present application discloses a method wherein the payments from the payor to the auxiliary service provider comprise fee for service payments (09/867,126: pg. 3).

10. Claims 7-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Spiro in view of Henley.

(A) As per claim 7, Spiro discloses the method of financing payments to providers of medical services to patients, comprising:

- (i) the patients making payments to one or more payors in exchange for the payors' promises to provide medical RVUs to the patients (Spiro: col. 2, lines 63-64; col. 3, lines 7-11; Fig. 1-13); and
- (ii) the payors making payments to one or more auxiliary service providers in exchange for the auxiliary service providers' promises to provide medical RVUs to the patients (Spiro: col. 3, lines 6-7).

Spiro fails, however, to expressly disclose the auxiliary service providers bidding on blocks of medical RVUs offered for sale by one or more primary service providers in a medical RVU trading system; and the auxiliary service providers contracting with one or more of the primary service providers using the medical RVU trading system.

Nevertheless, these features are old and well known in the art, as evidenced by Henley.

In particular, Henley discloses the following:

- (iii) the auxiliary service providers bidding on blocks of medical RVUs offered for sale by one or more primary service providers in a medical RVU trading system (Henley: abstract; Fig. 7); and
- (iv) the auxiliary service providers contracting with one or more of the primary service providers using the medical RVU trading system (Henley: abstract; Fig. 7; pg. 2, par. [0025]).

One having ordinary skill would have found it obvious at the time of the invention to include the aforementioned feature of Henley within the Spiro system with the motivation of increasing service negotiation flexibility and enhancing cost-effectiveness of medical services (Henley: pg. 2, par. [0022] and [0024]).

(B) As per claim 8, Spiro discloses the method of claim 7, further comprising: the auxiliary service provider maintaining an account receivable that is representative of the degree to which the primary service provider has provided the contracted for block of medical RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21; Fig. 12).

(C) As per claim 9, Spiro discloses the method of claim 7, further comprising: the primary service provider maintaining an account payable that is representative of the degree to which the primary service provider has provided the contracted for block of medical RVUs to the patients (Spiro: col. 8, lines 4-8 and lines 18-21; Fig. 12).

(D) Claim 10 repeats the same limitations of method claims 8 and 9, and is therefore rejected for the same reasons given for those claims.

(E) Claims 11 and 12 substantially repeat the same limitations of method claims 5 and 6, respectively, and are therefore rejected for the same reasons given for those claims.

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11. Claims 19-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Henley in view of Spiro.

(A) Claims 19-21 substantially repeat the limitations of method claims 14 and 15, and are therefore rejected for the same reasons given for those claims.

Conclusion

11. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. The cited but not applied art teaches a medical insurance verification and processing system (4,491,725); an all care health management system (5,301,105); a system for establishing and administering funded and post-funded charge accounts (5,583,760); a medical network management system and process (5,764,923); a system for providing medical information (5,918,208 and US 2001/0041990); a method and system encoding and processing alternative healthcare provider billing (5,915,241); a method and system for managing wellness plans for a medical care practice (6,208,974); a method and system for generating statistically-based medical provider utilization profiles (6,223,164); a method and system for providing pre and post operative support and care (US 2001/0021910); and a medical payment system (4,858,121).

The cited but not applied prior art also includes non-patent literature articles by Martin Dyckman ("Medical Middlemen in the Way Series" Jun 23, 1996. St. Petersburg Times. pg. 3.D.); John R. Hayes and Howard Rudnitsky ("M.D., Inc." Sep. 11, 1995. Forbes. Vol. 156, Iss. 6. pg. 222.); Douglas P. Shuit ("Prepaid Health Plan Unveiled for Medi-Cal" Jan 14, 1993. Los Angeles Times. pg. 3.); Maureen O'Boyle ("U.S. Health May Go Into Insurance Business" Jan 17, 1994. Business First. Vol. 10, Iss. 20. Sec. 1, pg. 4.); and Paul P. Louiselle ("Easing the Transition to an RBRVS-Based Physician Compensation System" Nov 1998. Healthcare Financial Management. pg. 67-70.).

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Mike Tomaszewski whose telephone number is (571)272-8117. The examiner can normally be reached on M-F 7:00 am - 3:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (571)272-6776. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

MT *MT* 7.8.05


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